

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

Phone: (360) 725-7000

FILED

JUL 27 2005

Hearing Officer, OIC
Patricia D. Petersen
Chief Hearing Officer

MIKE KREIDLER
DECLARATION OF MAILING

I declare under penalty of perjury
under the laws of the State of
Washington that on the date listed

below I mailed or caused delivery
of a true copy of this document to

all named parties

DATED this 14th day of

June, 2005.

at Olympia, Washington.

Signed: Nancy Haley

In the Matter of

Xelan Insurance Company, et al; Doctors Benefit Insurance
Company, Ltd; Doctor's Insurance Services, Inc;

Unauthorized Entities, and

Lewis Donald Guess; Nigel J. Bailey; Richard Robert Bright;
Kim Martin Atwater; John R. Patton, Esq; Boyce H. Goff, Sr.
and Craig P. Morgan

Principals

Order No. DO5-99

**ORDER TO
CEASE AND
DESIST**

Pursuant to RCW 48.02.080, RCW 48.05.030, RCW 48.15.020, RCW 48.15.023, RCW 48.17.060, RCW 48.30.010, and RCW 48.30.040, the Insurance Commissioner orders the entities and the individuals named above and their officers, directors, trustees, agents, employees, and affiliates ("**Respondents**") to immediately cease and desist from:

- A. issuing insurance to Washington residents or insurance involving Washington risks without the appropriate certificate from the Insurance Commissioner of the State of Washington;
- B. collecting or attempting to collect premium monies for insurance involving Washington residents and/or Washington risks underwritten by an entity without the appropriate certificate of authority;
- C. advertising insurance to be underwritten by an entity without the appropriate certificate of authority;
- D. soliciting, marketing, selling, initiating, or concluding insurance transactions to or with Washington residents and/or involving Washington risks that are not underwritten by authorized carriers;
- E. soliciting Washington residents to sell any insurance product underwritten by an entity without the appropriate certificate of authority;

THIS ORDER IS BASED ON THE FOLLOWING:

1. Violation of RCW 48.05.030, Certificate of authority required; RCW 48.15.020, Solicitation by unauthorized insurer prohibited; and RCW 48.17.060, License required;

a) In or about December of 1999, Respondents solicited Washington resident David P. Clark to purchase disability insurance underwritten by Respondent entity, Xelan Insurance Company, later renamed Doctors Benefit Insurance Co., Ltd. Mr. Clark purchased the insurance, which was issued after Respondents' receipt of Mr. Clark's consideration. Contemporaneously and continuing to the present time, the Office of Insurance Commissioner is informed that Respondents have solicited other Washington residents to purchase similar insurance and have issued similar insurance to Washington residents.

b) No Respondent has applied for or been granted a certificate of authority in this state. Respondents have not submitted to OIC any certificate, license, or other document issued by another agency of this state, any subdivision thereof, or the federal government permitting or qualifying Respondents to provide insurance coverage to Washington residents or covering Washington risks. No Respondent has registered with the OIC as a risk retention group or as a risk purchasing agent, nor have they transacted the subject insurance through a surplus lines broker licensed in this state.

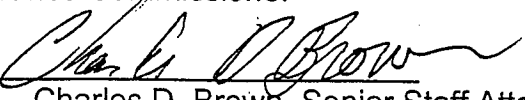
Any violation of the terms of this Order by Respondents, their officers, directors, agents, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, RCW 48.17.530, and other applicable Code sections.

Respondents are ordered to provide the OIC with a complete list, including all available contact information, of all Washington residents who have procured insurance from any of Respondents. Respondents are further ordered to refund, within forty-five (45) days of receipt of this order, all monies collected from Washington residents in connection with sale and purchase of insurance products.

Respondents have the right to demand a hearing pursuant to chapters 48.04 and 34.05 RCW. This Order shall remain in effect subject to the further order of the commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington, this 13th day of June, 2005.

MIKE KREIDLER
Insurance Commissioner

By: 
Charles D. Brown, Senior Staff Attorney
Legal Affairs Division
Office of Insurance Commissioner
State of Washington